

# INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

I  
J  
R  
C  
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

*Indexed & Listed at:*

[Ulrich's Periodicals Directory ©, ProQuest, U.S.A.](#), [EBSCO Publishing, U.S.A.](#), [Cabell's Directories of Publishing Opportunities, U.S.A.](#), [Google Scholar](#),

[Open J-Gate, India](#) [link of the same is duly available at [Infibnet of University Grants Commission \(U.G.C.\)](#)],

[The American Economic Association's electronic bibliography, EconLit, U.S.A.](#),

[Index Copernicus Publishers Panel, Poland](#) with [IC Value of 5.09](#) & [number of libraries all around the world](#).

[Circulated all over the world & Google has verified that scholars of more than 5220 Cities in 187 countries/territories](#) are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

# CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	<b>THE ANALYSIS EFFECT QUALITY PRODUCT, PRICE AND QUALITY SERVICE, TOWARD CUSTOMER SATISFACTION AND LOYALTY</b> <i>NURWIGAS, M.S. IDRUS, HENING WIDI OETOMO &amp; KHUZAINI</i>	1
2.	<b>CHALLENGES OF GAUGING PRODUCTIVITY IN TEACHING IN HIGHER EDUCATION: A STUDY</b> <i>MADHAVI R, DR. EASWARAN IYER &amp; DR. SHAILAJA SHASTRI</i>	7
3.	<b>A COMPARATIVE STUDY OF FINANCIAL PERFORMANCE OF PNB AND HDFC BANK</b> <i>POOJA MAKEN &amp; DR. SHASHI SHEKHAR</i>	13
4.	<b>MARKETING STRATEGIES ADOPTED BY PATANJALI AYURVED LIMITED</b> <i>DR. RAJSHREE. R, SHIVALAXMI &amp; T. SUSHMA SADANAND</i>	16
5.	<b>ISSUES AND PROSPECTS OF MARINE FISHERIES SUB-SECTOR IN INDIA</b> <i>DR. ASHISH C. MEHTA &amp; HETAL D. TANDEL</i>	18
6.	<b>SERVICE QUALITY IN IT SERVICES: A CASE STUDY</b> <i>DR. MATHEW JOSEPH</i>	22
7.	<b>FUNDAMENTAL VICISSITUDES: A CASE OF SAARC COUNTRIES</b> <i>JASDEEP SINGH TOOR &amp; AMAN RANI</i>	29
8.	<b>MAPPING OF MUNICIPAL LOAN CAPACITY IN INDONESIA</b> <i>M MAULANA HAMZAH, LUKMAN M BAGA &amp; IMAM TEGUH SAPTONO</i>	33
9.	<b>SOLID WASTE MANAGEMENT: A CHALLENGING UNDERTAKING</b> <i>SHER SINGH</i>	40
10.	<b>AN ANALYSIS OF IMPACT OF GDP GROWTH ON HDI: A STUDY OF INDIA</b> <i>AMRITKANT MISHRA</i>	42
	<b>REQUEST FOR FEEDBACK &amp; DISCLAIMER</b>	46

***CHIEF PATRON*****PROF. K. K. AGGARWAL**

Chairman, Malaviya National Institute of Technology, Jaipur  
*(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)*

Chancellor, K. R. Mangalam University, Gurgaon  
 Chancellor, Lingaya's University, Faridabad  
 Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi  
 Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

***FOUNDER PATRON*****LATE SH. RAM BHAJAN AGGARWAL**

Former State Minister for Home & Tourism, Government of Haryana  
 Former Vice-President, Dadri Education Society, Charkhi Dadri  
 Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

***CO-ORDINATOR*****DR. BHAVET**

Faculty, Shree Ram Institute of Engineering & Technology, Urjani

***ADVISOR*****PROF. S. L. MAHANDRU**

Principal (Retd.), Maharaja Agrasen College, Jagadhri

***EDITOR*****PROF. R. K. SHARMA**

Professor & Dean, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

***FORMER CO-EDITOR*****DR. S. GARG**

Faculty, Shree Ram Institute of Business & Management, Urjani

***EDITORIAL ADVISORY BOARD*****DR. TEGUH WIDODO**

Dean, Faculty of Applied Science, Telkom University, Bandung Technoplex, Jl. Telekomunikasi, Terusan Buah Batu, Kabupaten Bandung, Indonesia

**PROF. M. S. SENAM RAJU**

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

**DR. JOSÉ G. VARGAS-HERNÁNDEZ**

Research Professor, University Center for Economic & Managerial Sciences, University of Guadalajara, Guadalajara, Mexico

**PROF. M. N. SHARMA**

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

**DR. CHRISTIAN EHIÖBUCHÉ**

Professor of Global Business/Management, Larry L Luig School of Business, Berkeley College, Woodland Park NJ 07424, USA

**PROF. SIKANDER KUMAR**

Chairman, Department of Economics, Himachal Pradesh University, Shimla, Himachal Pradesh

**DR. MIKE AMUHAYA IRAVO**

Principal, Jomo Kenyatta University of Agriculture and Technology (JKUAT), Westlands Campus, Nairobi-Kenya

**PROF. SANJIV MITTAL**

Professor, University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

**DR. NEPOMUCENO TIU**

Chief Librarian & Professor, Lyceum of the Philippines University, Laguna, Philippines

**PROF. RAJENDER GUPTA**

Convener, Board of Studies in Economics, University of Jammu, Jammu

**DR. KAUP MOHAMED**

Dean & Managing Director, London American City College/ICBEST, United Arab Emirates

**PROF. NAWAB ALI KHAN**

Professor, Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

**DR. ANA ŠTAMBUK**

Head of Department in Statistics, Faculty of Economics, University of Rijeka, Rijeka, Croatia

**SUNIL KUMAR KARWASRA**

Principal, Aakash College of Education, ChanderKalan, Tohana, Fatehabad

**DR. SHIB SHANKAR ROY**

Professor, Department of Marketing, University of Rajshahi, Rajshahi, Bangladesh

**PROF. S. P. TIWARI**

Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

**DR. SRINIVAS MADISHETTI**

Professor, School of Business, Mzumbe University, Tanzania

**PROF. ABHAY BANSAL**

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

**DR. ARAMIDE OLUFEMI KUNLE**

Dean, Department of General Studies, The Polytechnic, Ibadan, Nigeria

**DR. ANIL CHANDHOK**

Professor, Faculty of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

**RODRECK CHIRAU**

Associate Professor, Botho University, Francistown, Botswana

**DR. OKAN VELI ŞAFKLI**

Associate Professor, European University of Lefke, Lefke, Cyprus

**PARVEEN KHURANA**

Associate Professor, Mukand Lal National College, Yamuna Nagar

**DR. KEVIN LOW LOCK TENG**

Associate Professor, Deputy Dean, Universiti Tunku Abdul Rahman, Kampar, Perak, Malaysia

**DR. BORIS MILOVIC**

Associate Professor, Faculty of Sport, Union Nikola Tesla University, Belgrade, Serbia

**SHASHI KHURANA**

Associate Professor, S. M. S. Khalsa Lubana Girls College, Barara, Ambala

**DR. IQBAL THONSE HAWALDAR**

Associate Professor, College of Business Administration, Kingdom University, Bahrain

**DR. DEEPANJANA VARSHNEY**

Associate Professor, Department of Business Administration, King Abdulaziz University, Ministry of Higher Education, Jeddah, Saudi Arabia

**DR. MOHENDER KUMAR GUPTA**

Associate Professor, Government College, Hodal

**BIEMBA MALITI**

Associate Professor, The Copperbelt University, Main Campus, Jambo Drive, Riverside, Kitwe, Zambia

**DR. ALEXANDER MOSESOV**

Associate Professor, Kazakh-British Technical University (KBTU), Almaty, Kazakhstan

**DR. VIVEK CHAWLA**

Associate Professor, Kurukshetra University, Kurukshetra

**DR. FERIT ÖLÇER**

Head of Division of Management &amp; Organization, Department of Business Administration, Faculty of Economics &amp; Business Administration Sciences, Mustafa Kemal University, Tayfur Sökmen Campus, Antakya, Turkey

**DR. ASHOK KUMAR CHAUHAN**

Reader, Department of Economics, Kurukshetra University, Kurukshetra

**DR. RAJESH MODI**

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

**YU-BING WANG**

Faculty, department of Marketing, Feng Chia University, Taichung, Taiwan

**DR. SAMBHAVNA**

Faculty, I.I.T.M., Delhi

**DR. KIARASH JAHANPOUR**

Research Adviser, Farabi Institute of Higher Education, Mehrshahr, Karaj, Alborz Province, Iran

**DR. MELAKE TEWOLDE TECLEGHIORGIS**

Faculty, College of Business &amp; Economics, Department of Economics, Asmara, Eritrea

**DR. SHIVAKUMAR DEENE**

Faculty, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

**DR. THAMPOE MANAGALESWARAN**

Faculty, Vavuniya Campus, University of Jaffna, Sri Lanka

**DR. VIKAS CHOUDHARY**

Faculty, N.I.T. (University), Kurukshetra

**SURAJ GAUDEL**

BBA Program Coordinator, LA GRANDEE International College, Simalchaur - 8, Pokhara, Nepal

***FORMER TECHNICAL ADVISOR*****AMITA**

Faculty, Government M. S., Mohali

***FINANCIAL ADVISORS*****DICKIN GOYAL**

Advocate &amp; Tax Adviser, Panchkula

**NEENA**

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

***LEGAL ADVISORS*****JITENDER S. CHAHAL**

Advocate, Punjab &amp; Haryana High Court, Chandigarh U.T.

**CHANDER BHUSHAN SHARMA**

Advocate &amp; Consultant, District Courts, Yamunanagar at Jagadhri

***SUPERINTENDENT*****SURENDER KUMAR POONIA**

## CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** **anytime** in **M.S. Word format** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com) or online by clicking the link **online submission** as given on our website ([FOR ONLINE SUBMISSION, CLICK HERE](#)).

## GUIDELINES FOR SUBMISSION OF MANUSCRIPT

### 1. **COVERING LETTER FOR SUBMISSION:**

DATED: \_\_\_\_\_

#### **THE EDITOR**

IJRCM

**Subject:** SUBMISSION OF MANUSCRIPT IN THE AREA OF \_\_\_\_\_.

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, **please specify**)

#### **DEAR SIR/MADAM**

Please find my submission of manuscript titled ' \_\_\_\_\_ ' for likely publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published anywhere in any language fully or partly, nor it is under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to inclusion of their names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

<b>NAME OF CORRESPONDING AUTHOR</b>	:
Designation/Post*	:
Institution/College/University with full address & Pin Code	:
Residential address with Pin Code	:
Mobile Number (s) with country ISD code	:
Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No)	:
Landline Number (s) with country ISD code	:
E-mail Address	:
Alternate E-mail Address	:
Nationality	:

\* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation **etc.** The qualification of author is not acceptable for the purpose.

**NOTES:**

- a) The whole manuscript has to be in **ONE MS WORD FILE** only, which will start from the covering letter, inside the manuscript. **pdf. version is liable to be rejected without any consideration.**
  - b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail:**  
**New Manuscript for Review in the area of** (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)
  - c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.
  - d) The total size of the file containing the manuscript is expected to be below **1000 KB**.
  - e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.
  - f) **The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.
  - g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.
2. **MANUSCRIPT TITLE:** The title of the paper should be typed in **bold letters, centered and fully capitalised**.
  3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name, designation, affiliation (s), address, mobile/landline number (s), and email/alternate email address** should be given underneath the title.
  4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
  5. **ABSTRACT:** Abstract should be in **fully italic printing**, ranging between **150 to 300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA**. **Abbreviations must be mentioned in full**.
  6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.
  7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at [www.aea-web.org/econlit/jelCodes.php](http://www.aea-web.org/econlit/jelCodes.php). However, mentioning of JEL Code is not mandatory.
  8. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. **It should be free from any errors i.e. grammatical, spelling or punctuation. It must be thoroughly edited at your end.**
  9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
  10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
  11. **MAIN TEXT:**

**THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:****INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESIS (ES)****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****LIMITATIONS****SCOPE FOR FURTHER RESEARCH****REFERENCES****APPENDIX/ANNEXURE****The manuscript should preferably be in 2000 to 5000 WORDS, But the limits can vary depending on the nature of the manuscript.**

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR, centered, separately numbered** & self-explained, and the **titles must be above the table/figure. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.**
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. **The author (s) should mention only the actually utilised references in the preparation of manuscript** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper.** The author (s) are supposed to follow the references as per the following:
- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
  - Use (ed.) for one editor, and (ed.s) for multiple editors.
  - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.
  - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
  - The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
  - For titles in a language other than English, provide an English translation in parenthesis.
  - **Headers, footers, endnotes and footnotes should not be used in the document.** However, **you can mention short notes to elucidate some specific point**, which may be placed in number orders before the references.

**PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:**

**BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

**CONTRIBUTIONS TO BOOKS**

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

**JOURNAL AND OTHER ARTICLES**

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

**CONFERENCE PAPERS**

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

**UNPUBLISHED DISSERTATIONS**

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

**ONLINE RESOURCES**

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

**WEBSITES**

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>



## A COMPARATIVE STUDY OF FINANCIAL PERFORMANCE OF PNB AND HDFC BANK

**POOJA MAKEN**  
**ASST. PROFESSOR**  
**PUNJAB TECHNICAL UNIVERSITY**  
**JALANDHAR**

**DR. SHASHI SHEKHAR**  
**PROFESSOR**  
**QUEST GROUP OF INSTITUTIONS**  
**JHANJERI**

**ABSTRACT**

*A better performance in terms of Efficiency and profitability of banking sector is must for a flourishing economy to ensure the growth and development by facing intense competition, meeting greater customer demands and changing banking reforms. The fast moving competitive environment unleashed by Government policy of liberalization and globalization has brought about significant changes in the working of Indian banking industry. Recently the Indian economy has witnessed the emergence of many banks in the private sector. There are several reasons behind the increasing number of commercialization of banks. The growth of such banks is not possible unless they witness some success in the context of customer satisfaction or may it be the net assets held by these banks, efficiency of their management or the networks of each bank both in private as well as the public sector bank. The main objective of this paper is to make an evaluation of the financial performance of Punjab National Bank and HDFC Bank. The financial performance of a bank is measured by a number of key indicators with reference to Deposits, Advances, Total Income, Investment and Net Profit etc. Recommendations and suggestions have been given for improving the performance of both the Banks in India.*

**KEYWORDS**

efficiency, indicators, profitability, performance parameters, PNB and HDFC bank.

**INTRODUCTION**

**P**ublic Sector Banks (PSBs) are banks where a majority stake (i.e. more than 50%) is held by a government. The shares of these banks are listed on stock exchanges. There are a total of 27 PSBs in India [21 nationalized banks + 6 State bank group (SBI + 5 associates)].

The private-sector banks in India represent part of the Indian banking sector that is made up of both private and public sector banks. The "private sector banks" are banks where greater parts of state or equity are held by the private shareholders and not by government.

Banking in India has been dominated by public sector banks since the 1969 when all major banks were nationalized by the Indian government. However, since liberalization in government banking policy in the 1990s, old and new private sector banks have re-emerged. They have grown faster & bigger over the two decades since liberalization using the latest technology, providing contemporary innovations and monetary tools and techniques.

**Punjab National Bank** is an Indian multinational banking and financial services company. It is a state-owned corporation based in New Delhi, India. Founded in 1894, the bank has over 6,968 branches and over 9,656 ATMs across 764 cities. It serves over 80 million customers.

Punjab National Bank is one of the *Big Four banks* of India, along with Bank of Baroda, ICICI Bank and State Bank of India.

**HDFC Bank** is an Indian banking and financial services company headquartered in Mumbai, Maharashtra. It has about 76,286 employees including 12,680 women and has a presence in Bahrain, Hong Kong and Dubai. HDFC Bank is the second largest private bank in India as measured by assets. It is the largest bank in India by market capitalization as of February 2016. It was ranked 58th among India's most trusted brands according to Brand Trust Report, 2015.

As of June 30, 2016, the Bank's distribution network was at 4,541 branches and 12,013 ATMs.

**REVIEW OF LITERATURE**

Uppal R. K. (2006) studies the impact of computerization on the performance of public and private sector banks. The study is based on primary and secondary data. The study concludes that the performance of fully computerized banks (HDFC, PNB, IDBI, ICICI and OBC) is much better than the partially computerized banks. In inter-bank group comparison, all bank groups show significant difference in profitability and productivity. Primary survey concludes that majority of the customers are satisfied with computerization of banking services where urban sector respondents show keen interest in computerization of banking business.

Tiwari B. and Herstatt (2006) examine the installation of mobile banking and mobile financial services provided in Germany and other countries. 50 banks worldwide have been selected, half of them from Germany during May/June, 2005. From Indian banks, Bank of Punjab, HDFC, ICICI are dominating, providing mobile-financial services to their customers. The study explains different ways/methods to provide mobile-services that contain technical part with some case studies. The study concludes that mobile banking applications are gaining popularity amongst banks and suggests mobile banking to take the route of online banking.

Garg and Jham (2006) investigate factors that influence Indian customers to adopt ATMs by using factor analysis and focused on the influence of demographic and psychological variables of 296 customers of six selected banks such as SBI, PNB, ICICI, HDFC, ABN and IDBI. It is examined that most of the respondents are below the age of 35 years and the users with lesser experience face more problems in comparison to other and they look for reliability 42 of information. There are problems of dim vision of screen and they use ATMs maximum for withdrawals and rarely for deposits.

Jha and Sarangi (2011) analyzed the performance of seven public sector and private sector banks for the year 2009-10. They used three sets of ratios, operating performance ratios, financial ratios, and efficiency ratios. In all eleven ratios were used. They found that Axis Bank took the first position, followed ICICI Bank, BOI, PNB, SBI, IDBI, and HDFC, in that order.

Thakarshibhai, L.C. (2011), "The Profitability Analysis of Banks in India", Paripex Indian Journal of Research, done study on the profitability analysis of few public and private sector banks and found that three key factors which are mean, standard deviation and anova model affect the profitability analysis of Indian banking sector. He found that in public sector banks return on capital employed found poor in contrast to private sector banks and suggested that it is essential for the public sector banks to apply their capital employed very efficiently to yield enough return. So, as they can contest with private sector banks.

K.V.N. Prasad and Dr. A.A. Chari (2011) conducted a study to evaluate financial performance of public and private sector banks in India. In this study they compared financial performance of top four banks in India viz., SBI, PNB, ICICI and HDFC, concluded that on overall basis HDFC rated to most position.

Dr. R. Gupta, Dr. N. S. Sikarwar, (2013) studied the growth rate of Punjab National Bank of India and HDFC Bank Limited as both the banks are giant banks in public and private sector, hence a study on growth analysis of both the bank for a period of 10 years, from 2000 to 2010 is done. The main growth parameters in banks are Net profit growth, Net assets growth, Earning Per Share growth and the results reveal that HDFC Bank has performed must better than PNB Bank.

**OBJECTIVES OF THE STUDY**

1. To review the financial performance of the PNB and HDFC bank in terms of deposits, advances, net profit etc.
2. To make a comparative study on the performance of the PNB and HDFC bank.

**METHODS OF DATA COLLECTION**

- **PRIMARY DATA:** Are those which are collected a fresh and for the first time and thus happen to be original in character and known as Primary data.
- **SECONDARY DATA:** Are those which have been collected by someone else and which have already been passed through the statistical process are known as Secondary data.

**RESEARCH METHODOLOGY**

The secondary data is collected from various journals, reports and annual reports have been collected from various websites of respective banks.

**PERIOD OF THE STUDY**

The post-reform period of five years has been taken for measuring the financial performance of PNB and HDFC bank. The years selected for analysis are from 2011-12 to 2015-16.

**ANALYSIS AND DISCUSSION**

Various parameters are used in identifying the strengths/weaknesses of banks and suggesting improvement measures in its future working. In the present study, following data/ parameters are used for the analysis of Financial Performance.

1. Net profit
2. Total Income
3. Investment
4. Advances
5. Deposits

**NET PROFIT**

**Net profit**, often referred to as net income, is the amount of money a company has left after all expenses, including taxes, have been subtracted from total revenue. Net profit is reported on a company's income statement and is one of the key indicators of the success or failure of a company's business operation during a given time period. The actual formula for calculating net profit is:

**Net Profit = Total Revenue - Total Expenses**

The balance of operating profit after the provisions and contingencies is known as net profit.

Net Profit mainly depends upon productivity of the bank and growth of profit per employee. The net profit patterns of banks under study are given in Table-1.

**TABLE 1: NET PROFIT OF BANKS (in Rs. Crores)**

BANKS	2011-12	2012-13	2013-14	2014-15	2015-2016	GROWTH RATE	AVERAGE
PNB	4884	4748	3343	3062	-3974	-181.3	2412.6
HDFC	5167	6726	8478	10216	12296	137.9	8576.6

Source: Compiled from the Annual Reports of the Banks

Table-1 Depicts that HDFC Bank has the better growth rate (137.9%) than PNB growth rate (-181.3%) and HDFC is good in Average (8576.6) than the Average of PNB (2412.6) during the study period. All this certify that HDFC Bank stands better than PNB in view of stability and profitability

**TOTAL INCOME**

The total income indicates the rupee value of the income earned during a period. It consists of: Interest on advances, discount on bills and Income on investments, etc. Noninterest income of banks arises from sources other than money lent. It comprises of Commission, exchange, brokerage, Profit on sale of investment, Profit on sale of land, buildings and other assets and Profits on Foreign exchange transaction. The higher value of total income represents the efficiency and good performance. The Total Income pattern of Banks under study is given in Table-2.

**TABLE 2: TOTAL INCOME OF BANKS (in Rs. Crores)**

BANKS	2011-12	2012-13	2013-14	2014-15	2015-2016	GROWTH RATE	AVERAGE
PNB	40630.63	46109.25	47799.96	52206.09	54301.37	33.65%	48209.46
HDFC	32530.04	41917.49	49055.18	57466.25	70973.17	118.18%	50388.43

Source: Compiled from the Annual Reports of the Banks

Table-2 Depicts that HDFC Bank has the better growth rate (118.18%) than PNB growth rate (33.65%) and HDFC is good in Average (50388.43) than the Average of PNB (48209.46) during the study period. All this certify that HDFC Bank stands better than PNB in view of efficiency and good performance.

**INVESTMENTS**

A **investment** is an asset that you put money into with the hope that it will grow or appreciate into a larger sum of money. The idea is that you can later sell it at a higher price or earn money on it while you own it.

Investment as a window of deployment of funds was given more emphasis than lending. Investment can be defined as sacrifice of present consumption with expectation of return in future. Investment takes place at present but return can be expected in future but return is uncertain too.

"Investment is made in assets. Assets in all are of two types- real assets (land, building etc.) and financial assets (stock, bond, etc.). Highly developed financial institutions greatly facilitate real investment.

"Investment is nothing but deploying our saving in manner that ensures safety of our money & provides a sustained return to supplement our regular income" (Delhi Stock exchange 2002). The total Investment pattern of Banks under study is given in Table-3.

**TABLE 3: TOTAL INVESTMENT OF BANKS (in Rs. Crores)**

BANKS	2011-12	2012-13	2013-14	2014-15	2015-2016	GROWTH RATE	AVERAGE
PNB	122629	129896	143786	149877	157846	28.72%	140806.8
HDFC	84728.34	97342.80	105831.88	151641.77	163885.78	93.42%	120686.11

Source: Compiled from the Annual Reports of the Banks

Table-3 Depicts that HDFC Bank has the better growth rate (93.42%) than PNB growth rate (28.72%) and PNB is good in Average (140806.8) than the Average of HDFC (120686.11) during the study period. All this certify that HDFC Bank stands better than in view of stability and profitability

**ADVANCES**

Advance is a 'credit facility' granted by the bank. Banks grant advances largely for short-term purposes, such as purchase of goods traded in and meeting other short-term trading liabilities. In other words, it is the amount borrowed by a person from the Bank. It is also known as „Credit" granted where the money is disbursed and recovery of which is made later on. Bank credit means the loan (advances) made by the banks to the customers. Credit deployment is the major force through which banks helps in the transformation of saving into capital. This is considered to be the single most important causal factor in the process of economic development with the expansion of bank deposits. There has been continued expansion of bank credit reflecting the rapid expansion of agricultural and industrial output. The Advances pattern of Banks under study is given in Table-4.

TABLE 4: ADVANCES OF BANKS (in Rs. Crores)

BANKS	2011-12	2012-13	2013-14	2014-15	2015-2016	GROWTH RATE	AVERAGE
PNB	293775	308796	349269	380534	412326	40.35%	348940
HDFC	195420	239721	303000	365495	464594	137.74%	313646

Source: Compiled from the Annual Reports of the Banks

Table 5 Depicts that HDFC Bank has the higher growth rate (137.74%) than PNB growth rate (40.35%). On the other hand, PNB has the higher average total credits of Rs. 348940 crores than the average of HDFC Rs. 313646 crores. Therefore, it indicates that the bank with good growth rate of total credits during the study period does not always mean having high average of total credits.

#### DEPOSITS

Deposit is the amount accepted by bank from the savers in the form of current deposits, savings deposits and fixed deposits and interest is paid to them. In general terms money deposits in banks are known as bank deposits. Deposits mobilization gets added attention in a developing country like India where resources mobilization acts as a prime mover of the development process. Expansion of Public Sector Banks deposits has been an important feature in recent years. Planned economic development, deficit financing and increase in currency issue have led to increase in Public Sector Banks deposits. At the same time Public Sector Banks have contributed greatly to the development of banking habit among the people. The deposit pattern of Banks under study is given in Table-5.

TABLE 5: DEPOSITS OF BANKS (in Rs. Crores)

BANKS	2011-12	2012-13	2013-14	2014-15	2015-2016	GROWTH RATE	AVERAGE
PNB	379588	391560	451397	501379	553051	45.70%	455395
HDFC	246706	296247	367337	450795	546424	121.49%	381502

Source: Compiled from the Annual Reports of the Banks

From the Table 5, HDFC Bank has the higher growth rate (121.49%) than PNB growth rate (45.70%). On the other hand, PNB has the higher average deposits of 455395 than the average deposits of HDFC 381502. Therefore, it indicates that the bank with good growth rate of total deposits during the study period does not always mean having high average of total deposits.

#### ANALYSIS AND FINDINGS

On the basis of study of financial performance, based on the parameters like Net profit, Total income, Investment, Total assets, Advances, Deposits, it can be concluded very safely that the study of last five years i.e. from 2012 to 2016 HDFC Bank has performed much better than Punjab National Bank and we conclude that the HDFC bank have much better growth prospects as compared to PNB bank.

#### SUGGESTIONS TO IMPROVE THE PERFORMANCE OF PNB BANK

The forgoing analysis reveals that though there is a phenomenal development in the performance, still PNB bank lagging behind in some major thrust areas. Some recommendations to improve the performance of PNB bank are given below:

**TECHNOLOGY:** Technology has been a boon to many industries and especially to the banking industry. With the help of technology banks are able to reach out to more customers and provide better services to them. Also, it helps them function in an organized and in a secure way. PNB Bank is lagging behind in technology when we compare it with HDFC bank.

**COMPETITION:** Competition in the banking system is desirable for efficiency and maximization of social welfare. Due to LPG, the banks are facing a severe competition. To stay ahead in the race, therefore, banks will have to leverage technology development as well as developing sophisticated financial products. PNB bank in particular will have to develop new tech-savvy products to beat the competition.

**NON-PERFORMING ASSETS:** The PNB bank should prepare a loan recovery policy for reducing NPA. The advances provided by bank should be given after pre-sanctioning evaluation and post-disbursement control for reducing NPA. For effective handling of NPA, the bank should create special recovery cells as head office/regional office/zonal office identify critical branches for recovery. NPA may be reduced by proper selection of borrowers & clients required to get timely payment.

**HUMAN RESOURCE MANAGEMENT:** Human resources development is a crucial factor which can play a vital role in increasing business per employee and profit per employee. The management should execute appraisal system based on merits and performance of employees. The training system of PNB bank should be geared to design innovative and highly specialized programs as a measure to improve and provide skills, knowledge and expertise in functional areas.

**CHECK ON OPERATING COST:** Operating expenses are the expenses incurred in conducting the bank's ongoing operations. High operating cost is a major hurdle impacting the profitability of public sector banks. The financial position of PNB bank can be enhanced by keeping a control on operating cost through higher labour productivity, updated technology, low cost funds and restructuring of un-remunerating branches.

PNB bank must refer the suggestions provided above in the study in order to improve the efficiency.

#### CONCLUSION

A better performance in terms of Efficiency and profitability of banking sector is must for a flourishing economy to ensure the growth and development by facing intense competition, meeting greater customer demands and changing banking reforms. The fast moving competitive environment unleashed by Government policy of liberalization and globalization has brought about significant changes in the working of Indian banking industry. Recently the Indian economy has witnessed the emergence of many banks in the private sector. There are several reasons behind the increasing number of commercialization of banks. The growth of such banks is not possible unless they witness some success in the context of customer satisfaction or may it be the net assets held by these banks, efficiency of their management or the networks of each bank both in private as well as the public sector bank. The main objective of this paper is to make an evaluation of the financial performance of Punjab National Bank and HDFC Bank. The financial performance of a bank is measured by a number of key indicators with reference to Deposits, Advances, Total Income, Investment and Net Profit etc. Recommendations and suggestions have been given for improving the performance of both the Banks in India.

#### REFERENCES

1. [http://shodhganga.inflibnet.ac.in/bitstream/10603/2310/1/11\\_chapter%202.pdf](http://shodhganga.inflibnet.ac.in/bitstream/10603/2310/1/11_chapter%202.pdf)
2. <http://study.com/academy/lesson/net-profit-definition-calculation-quiz.html>
3. <http://www.hdfcbank.com/assets/pdf/HDFC-Annual-Report-2015-16.pdf>
4. [http://www.hdfcbank.com/htdocs/common/pdf/corporate/financial\\_results\\_march%202013.pdf](http://www.hdfcbank.com/htdocs/common/pdf/corporate/financial_results_march%202013.pdf)
5. [http://www.hdfcbank.com/htdocs/common/pdf/corporate/Financial\\_Results\\_for\\_the\\_quarter\\_and\\_year\\_ended\\_March.pdf](http://www.hdfcbank.com/htdocs/common/pdf/corporate/Financial_Results_for_the_quarter_and_year_ended_March.pdf)
6. <http://www.hdfcbank.com/htdocs/common/pdf/corporate/Financial-Results-for-the-quarter-and-year-ended-March-31-2016.pdf>
7. <http://www.hdfcbank.com/htdocs/common/pdf/corporate/Financial-Results-for-year-ended-March-31-2012.pdf>
8. <http://www.ijbm.co.in/downloads/vol2-issue1/59.pdf>
9. [https://en.wikipedia.org/wiki/HDFC\\_Bank](https://en.wikipedia.org/wiki/HDFC_Bank)
10. [https://en.wikipedia.org/wiki/Private-sector\\_banks\\_in\\_India](https://en.wikipedia.org/wiki/Private-sector_banks_in_India)
11. [https://en.wikipedia.org/wiki/Public\\_sector\\_banks\\_in\\_India](https://en.wikipedia.org/wiki/Public_sector_banks_in_India)
12. [https://en.wikipedia.org/wiki/Punjab\\_National\\_Bank](https://en.wikipedia.org/wiki/Punjab_National_Bank)
13. [https://www.pnbindia.in/document/annual-report/PNB\\_Annual\\_Report\\_2015\\_16\\_Final.pdf](https://www.pnbindia.in/document/annual-report/PNB_Annual_Report_2015_16_Final.pdf)

## REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, Economics & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as, on the journal as a whole, on our e-mail [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com) for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com).

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

**Academically yours**

Sd/-

**Co-ordinator**

## DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.

## ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

### *Our Other Journals*

